



Issue Number 1

Have the LECs borne their burden of demonstrating that implementing SFAS-106 results in an exogenous cost change for the TBO amounts under the Commission's price cap rules?

We direct the LECs to provide evidence of and describe the ranges of data on the age of the workforce, the ages at which employees will retire, and the length of service of retirees, presented by their actuaries and used by the companies to compute OPEB amounts claimed in the annual access transmittals.

We direct the LECs to provide pertinent sections of their employee handbooks, contracts with unions, and other items that include statements to the employees concerning the company's ability to modify its post-employment benefits package.

SNET Response To Issue Number 1

SNET has provided extensive evidence demonstrating that the implementation of SFAS-106 should result in an exogenous cost change for the transition benefit obligation ("TBO")-related amounts under the Commission's price cap rules. As directed, in Attachment A to this response, SNET is providing actuarial data which describes the ranges of data on the age of SNET's workforce, the ages at which employees will retire, and the length of service of retirees which was used by SNET to compute the OPEB amounts included in SNET's 1993 Annual Access tariff filing. Also, as directed, SNET is providing sections of its employee handbooks, contracts with its union, and other data that include statements to the employees concerning the company's ability to modify its post-employment benefits package. (See Attachment B)

Adoption Of An Accounting Standard (SFAS-106) Is Clearly Not Within SNET's Control.

SNET outlined its process of identifying its OPEB costs on page 19 of SNET's 1993 Annual Access Tariff filing Description and Justification ("D&J"). SNET's discussion of its TBO demonstrates the extent to which OPEB costs are not controllable by SNET. The Commission's OPEB Order clearly provided the LECs with an opportunity to demonstrate lack of control over the TBO on the basis of these costs arising from past contractual obligations, obligations that arose prior to the mandated GAAP change.<sup>2</sup>

SNET has recently received a decision from its state regulatory body in which the Connecticut Department of Public Utility Control (DPUC) approved in full, SNET's proposal to implement the SFAS-106 accounting standard.<sup>3</sup> As part of its ratemaking decision, the DPUC approved SNET's amortization of the transition benefit obligation.<sup>4</sup> The DPUC agreed with SNET that the "amortization of the transition benefit obligation not only does not relate to

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<sup>2</sup> Memorandum Opinion and Order, Treatment of Local Exchange Carrier Tariffs Implementing Statement of Financial Accounting Standards, "Employees Accounting for Postretirement Benefits Other Than Pensions," CC Docket No. 92-101, released January 22, 1993, (OPEB Order), para. 57.

<sup>3</sup> State of Connecticut Department of Public Utility Control (DPUC), Docket No. 92-09-19, Application of The Southern New England Telephone Company to Amend its Rates and Rate Structure, Phase I,

services rendered currently by employees, but in fact relates to employees already retired."<sup>5</sup>

As noted in SNET's Direct Case,<sup>6</sup> the negotiated limits or control caps that SNET has put in place have already had a significant impact on controlling SNET's health care costs, thus reducing the accumulated benefit obligation under SFAS-106 for non-pension postretirement benefits.<sup>7</sup> SNET capped its postretirement medical liability for bargaining unit employees retiring after 1989 and management employees retiring after 1991. The caps do not go into effect until 1996 and apply only to retirees who retired after the caps were put into effect.

The DPUC also recognized the importance of retiree health benefits to employees as an integral part of collective bargaining.<sup>8</sup> Further, SNET does not believe that the FCC intends to disincent LECs from providing health care benefits to retirees.

In its Direct Case, SNET provided a good faith estimate, while indicating that OPEB costs would be subject to refinement as of the adoption date of SFAS-106. In the Commission's OPEB Order of Investigation and Suspension,<sup>9</sup>

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<sup>5</sup> Decision, p. 104.

<sup>6</sup> See Order of Investigation and Suspension, CC Docket No. 92-101, released April 30, 1992, at page 12. See also Direct Case of SNET, CC Docket No. 92-101, filed June 1, 1992, Exhibit 1.

<sup>7</sup> Decision, p. 108.

<sup>8</sup> Decision, p. 107.

<sup>9</sup> Order of Investigation and Suspension, at para. 9, fn. 12 and 14, and App. A.

SNET was named as a party to the OPEB tariff proceeding of other LECs even though SNET had not, at that time, either adopted SFAS-106 or requested exogenous treatment of SFAS-106.

The results of SNET's updated study were utilized in SNET's 1993 Annual Access Tariff filing. It is these costs, actuarially determined, and not the good faith estimate of June 1, 1992<sup>10</sup>, that formed the basis of the adoption of SFAS-106. These are also the SFAS-106 costs booked for accounting purposes.

SNET believes that the Godwins Study, with the additional sensitivity analyses provided with the 1993 Annual Access Tariff filing of April 2, 1993, properly responds to the concerns on any potential double-counting in the OPEB Order.<sup>11</sup>

SNET believes that it has met the "second prong" of the Commission's test for exogenous treatment of SFAS-106 as these incremental costs are not reflected in the price cap formula (OPEB Order, at para. 52).

SNET simply seeks a reasonable outcome by the Commission of exogenous recognition of SFAS-106 costs, incurred prior to the adoption of the accounting standard,

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<sup>10</sup> See Direct Case of SNET, filed June 1, 1992, Exhibit 1, responding to the Order of Investigation and Suspension. See also Rebuttal to Oppositions of the Direct Case of SNET, filed July 31, 1992, at page 6.

<sup>11</sup> OPEB Order, paras. 62-64.

and in the main, prior to SNET's election of price cap regulation.

**Issue Number 2**

**How should price cap LECs reflect amounts from prior year sharing or low-end adjustments in computing their rates of return for the current year's sharing and low-end adjustments to price cap indices?**

**SNET Response To Issue Number 2**

SNET agrees with the Commission's tentative conclusion "that the add-back adjustment should continue to be part of the rate of return calculations of LECs subject to price caps"<sup>12</sup> which precede their calculations for purposes of the backstop lower formula adjustments ("LFAM").

The Commission reiterates that the price cap plan is intended to create incentives for productivity growth and that changes in rate of return each year are used as a measure of productivity growth relative to the price cap target. The amount of lower formula adjustment implemented in one year, however, relates to productivity performance in a prior year. SNET agrees with the Commission's conclusion that unless add-back for lower formula adjustment occurs, the relationship between rate of return and productivity growth becomes hidden.<sup>13</sup>

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<sup>12</sup> Notice of Proposed Rulemaking, In the Matter of Price Cap Regulation of Local Exchange Carriers Rate of Return Sharing And Lower Formula Adjustment, CC Docket No. 93-179, released July 6, 1993, (Notice), para.15.

<sup>13</sup> Notice, para. 11.

In its 1993 Annual Access tariff filing, SNET excluded its 1992 LFAM revenues from 1992 earnings to comply with the Commission's Order on Reconsideration.<sup>14</sup> As SNET described in its Reply Comments,<sup>15</sup> failure to do so would make SNET's 1992 rate of return inappropriate for use in applying the Commission's sharing/LFAM earnings test for 1992 results.

SNET's treatment of the LFAM is in compliance with the Commission's Order On Reconsideration which defines the adjustment as a one year rate increase.<sup>16</sup> SNET has correctly reversed the LFAM rate increase in its 1993 Annual Access tariff filing by taking a negative exogenous change in the price cap index for the entire LFAM amount increased due to demand growth.<sup>17</sup>

To properly evaluate SNET's 1992 earnings without this rate increase, SNET eliminated the effect of the LFAM by subtracting the LFAM revenue from earnings prior to determining the rate of return for ratemaking.

SNET believes that this treatment is absolutely necessary in order to comply with the Commission's intent in its Order on Reconsideration. Once rates have been lowered in the price cap index by reversing the LFAM, SNET then

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<sup>14</sup> Order on Reconsideration, footnote 166.

<sup>15</sup> In the Matter of 1993 Annual Access Tariff Filing, Reply Comments of The Southern New England Telephone Company, filed May 10, 1993, (Reply Comments), page 4.

<sup>16</sup> Order on Reconsideration, footnote 166.

<sup>17</sup> SNET's 1993 Access Tariff filing, Volume 2 of 2, Section 2, Workpaper 492A 1992-3, "Adjustment to 1992 Results for Low End Amount."

determines if a further reduction in rates is necessary based on the rate of return without the effect of the LFAM revenue. Because the PCI has already been reduced for reversal of LFAM, the 1992 earnings price level rate of return test will double count LFAM impacts unless the 1992 rate of return is adjusted to remove the LFAM revenues. Attachment C illustrates this point. If earnings were not adjusted for the LFAM, SNET would incorrectly be lowering rates twice-- once in the PCI LFAM reversal and again due to 1992 earnings, which include the same LFAM treatment.

**Issue Number 3 Is Not Applicable To SNET**

**Issue Number 4 Is Not Applicable to SNET**

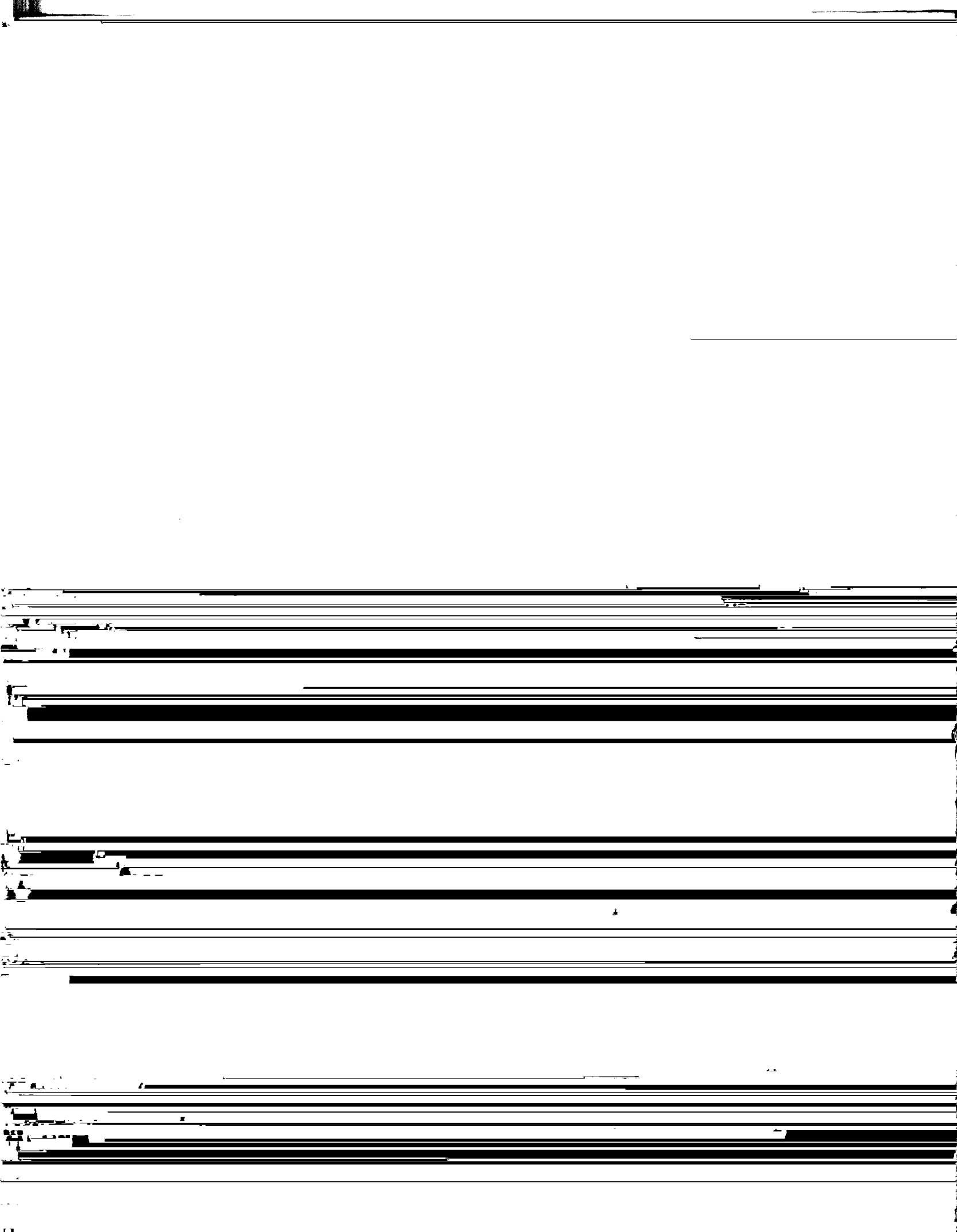
**Issue Number 5**

Have Bell Atlantic and SNET correctly calculated the "g" factor? Parties addressing this issue should discuss whether the fact that revenues in the PCI calculation are viewed over an entire year requires that other factors in the PCI formula be treated consistently. Responsive parties should also address whether an average line count should apply to both the base year, and the base year minus one.

**SNET Response To Issue Number 5**

In its Reply Comments, SNET acknowledged that it had used an incorrect access line count in its "g" factor calculation provided in Workpaper CCL-6 of SNET's 1993 Annual Access Tariff filing made on April 2, 1993. As explained in its Reply Comments, SNET used the appropriate





What is critical to the validity of the "g" factor, as explained by both SNET and Bell Atlantic, is the consistency between the measurement used in both the base year and base year minus 1. SNET demonstrated in its Reply Comments that there was no material difference in its "g" factor when it is calculated using a December comparison or a comparison based upon annual figures. Attachment D which was also provided in SNET's Reply Comments, is here again being provided to illustrate SNET's position.

AT&T's proposed "correction" lacks this essential element of consistency in measurement basis, therefore must be denied.

**Issue Number 6**

**Have the LECs properly reallocated GSF costs in accordance with the GSF Order?**

**SNET Response To Issue Number 6**

SNET filed a tariff transmittal on June 17, 1993 to comply with the Commission's GSF Order in CC Docket No. 92-222.<sup>20</sup> This transmittal reflected the reallocation of General Support Facilities (GSF) costs , to correct the misallocation of GSF investment and related expenses.

As discussed in its tariff transmittal, SNET restated twelve months of 1992 ARMIS 43-04 data to produce new revenue requirements in each of the access categories. As a

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<sup>20</sup> In the Matter of Amendment of the Part 69 Allocation of General Support Facilities Costs, CC Docket No. 92-222, Report and Order, (GSF Order), para. 16.

result, SNET's Common Line revenue requirement increased by \$17.4 million, while SNET's Traffic Sensitive and Special Access revenue requirements decreased by \$13.0 million and \$4.4 million respectively.

The Commission's rule change also impacted SNET's forecasted test period Base Factor Portion (BFP) revenue requirement. SNET's BFP was developed utilizing the Total Company Subject to Separations budget along with prospective separations allocators as inputs to the Part 36 and Part 69 Southern New England Access Cost System. In the process, Part 32 budget data for the July 1993 through June 1994 period were first categorized into applicable separations categories. This data was combined with forecasted usage, loops, miles, and other data necessary for jurisdictional separations and access element apportionment. This process produced a revised BFP revenue requirement of approximately \$129.6 million, which represents an increase of approximately \$17.4 million from the BFP amount in SNET's April 2, 1993 tariff filing.

**Issue Number 7**

**To what category or categories should the LIDB per query charges be assigned?**

**SNET Response To Issue Number 7**

SNET recommends that LIDB be assigned to the Transport category. The Commission's LIDB Waiver Order<sup>21</sup> established two rate elements for LIDB Service and did not address to which basket or service category these rate elements should be assigned for earnings measurements. SNET assigned the per query charge to the Local Transport Service category within the Traffic Sensitive basket in its tariff filing for LIDB service<sup>22</sup> since the LIDB service is associated with Common Channel Signaling Service which has been identified by the Commission as a Local Transport service.

Local Transport should be used for the transmission and related switching facilities which both represent portions of the underlying LIDB costs.

LIDB (Query and Transport) is simply a transport-type service that uses the same network components as those that make up other Local Transport services.

**Issue Number 8 Is Not Applicable to SNET**

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<sup>21</sup> Southwestern Bell Telephone Company Petitions for Waiver of Part 69 of The Commission's Rules, Memorandum Opinion and Order, released October 4, 1991, (LIDB Waiver Order).

<sup>22</sup> SNET Transmittal No. 533, filed on January 14, 1992.

Respectfully submitted,

THE SOUTHERN NEW ENGLAND  
TELEPHONE COMPANY

By: 

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Director-Federal Regulatory  
227 Church Street-4th Floor  
New Haven, CT 06506  
(203) 771-8514

July 27, 1993

## Index to Attachment A

Page 1 Actuarial data on the range of age and service of SNET's bargaining unit workforce, entitled:

**Southern New England Telephone Pension Plan  
Age/Service Distribution**

Page 2 Actuarial data on the range of age and service of SNET's management employees, entitled:

**Southern New England Telephone Management Pension Plan  
Age/Service Distribution**

Page 3 Actuarial data on the ages at which SNET's employees will retire on disability pension, entitled:

**Southern New England Telephone  
Annual Rates of Retirement on Disability Pension  
Assumed in Determining 1992 Accrual Rate  
For Service Pensions and Death Benefits**

Page 4 Actuarial data on the ages at which SNET's male employees will retire on service pension, entitled:

**Southern New England Telephone  
Annual Rates of Retirement on Service Pension  
Assumed in Determining 1992 Accrual Rate  
For Service Pensions and Death Benefits**

Page 5 Actuarial data on the ages at which SNET's female employees will retire on service pension, entitled:

**Southern New England Telephone  
Annual Rates of Retirement on Service Pension  
Assumed in Determining 1992 Accrual Rate  
For Service Pensions and Death Benefits**

## AGE/SERVICE DISTRIBUTION

**AVERAGE AGE:** 39.2 years      **AVERAGE SERVICE:** 13.9 years



**PHONE MANAGEMENT PENSION PLAN**

**AGE DISTRIBUTION**

**YEARS OF SERVICE**

	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	<u>TOTAL</u>
	0	0	0	0	20
	0	0	0	0	216
	5	0	0	0	347
	152	62	0	0	614
	167	458	46	0	935
	88	354	276	13	800
	20	75	153	55	342
	8	24	28	61	141
	5	0	1	16	25
	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>5</u>
	445	974	504	147	3,505

**AVERAGE SERVICE: 16.9 years**



**Southern New England Telephone**  
**Annual Rates of Retirement on Disability Pension**  
**Assumed in Determining 1992 Accrual Rate**  
**For Service Pensions and Death Benefits**

Age x	Rates of disability retirement during year of age x + .5 to x + 1.5		Age x	Rates of disability retirement during year of age x + .5 to x + 1.5	
	Male	Female		Male	Female
29	.0003	.0011	47	.0017	.0052
30	.0003	.0011	48	.0022	.0057
31	.0003	.0012	49	.0027	.0062
32	.0003	.0012	50	.0032	.0068
33	.0003	.0013	51	.0038	.0075
34	.0003	.0014	52	.0043	.0080
35	.0003	.0014	53	.0051	.0086
36	.0003	.0015	54	.0064	.0092
37	.0003	.0015	55	.0087	.0098
38	.0003	.0017	56	.0112	.0102
39	.0004	.0021	57	.0139	.0110
40	.0005	.0024	58	.0171	.0117
41	.0007	.0027	59	.0202	.0125
42	.0007	.0032	60	.0233	.0137
43	.0008	.0035	61	.0262	.0150
44	.0009	.0039	62	.0308	.0167
45	.0011	.0043	63	.0356	.0188
46	.0013	.0048	64	.0411	.0217

Source: Industry wide experience 1973-1977.

**Southern New England Telephone  
Annual Rates of Retirement on Service Pension  
Assumed in Determining 1992 Accrual Rate  
For Service Pensions and Death Benefits**

**Male Employees**

Service in years t	Rates of retirement during year $t + .5$ to $t + 1.5$ for employees entering service at specimen ages							
	15	20	25	30	35	40	45	50
14								.5000
15								.3000
16								.3000
17								.3000
18								.3000
19					.0530	.0900	.5000	.9903
20					.0420	.0650	.3000	
21					.0300	.2090	.3000	
22					.0330	.2790	.3000	
23					.0410	.2060	.3000	
24			.0160	.0330	.0440	.5000	.9903	
25			.0150	.0260	.0560	.3000		
26			.0160	.0280	.2270	.3000		
27			.0170	.0360	.2930	.3000		
28			.0190	.0430	.2200	.3000		
29	.0210	.0280	.0320	.0500	.5000	.9903		
30	.0180	.0195	.0390	.0700	.3000			
31	.0195	.0270	.0430	.2540	.3000			
32	.0210	.0345	.0460	.3190	.3000			
33	.0225	.0390	.0540	.2350	.3000			
34	.0255	.0460	.0670	.5000	.9903			
35	.0270	.0530	.0880	.3000				
36	.0315	.0590	.2850	.3000				
37	.0375	.0640	.3540	.3000				
38	.0405	.0730	.2520	.3000				
39	.0520	.0910	.5000	.9903				
40	.0580	.1080	.3000					
41	.0620	.3300	.3000					
42	.0680	.3930	.3000					
43	.0790	.2720	.3000					
44	.0980	.5000	.9903					
45	.1160	.3000						
46	.3510	.3000						
47	.4110	.3000						
48	.2830	.3000						
49	.5000	.9903						
50	.3000							
51	.3000							
52	.3000							
53	.3000							
54	.9903							

Source: Industry wide Non-Management experience 1975-1978.

**Southern New England Telephone  
Annual Rates of Retirement on Service Pension  
Assumed in Determining 1992 Accrual Rate  
For Service Pension and Death Benefits**

**Female Employees**

Service in years t	Rates of retirement during year $t + .5$ to $t + 1.5$ for employees entering service at specified ages							
	15	20	25	30	35	40	45	50
14								.5000
15								.3000
16								.3000
17								.3000
18								.3000
19					.1830	.2500	.5000	.9949
20					.1090	.1260	.3000	
21					.0950	.2840	.3000	
22					.0950	.3030	.3000	
23					.0980	.2640	.3000	
24			.0900	.1300	.1070	.5000	.9949	
25			.0510	.0850	.1100	.3000		
26			.0520	.0900	.2880	.3000		
27			.0550	.0950	.3100	.3000		
28			.0580	.1000	.2700	.3000		
29	.0600	.0780	.0800	.1110	.5000	.9949		
30	.0510	.0550	.0870	.1160	.3000			
31	.0510	.0650	.0930	.2960	.3000			
32	.0530	.0700	.0990	.3220	.3000			
33	.0588	.0830	.1050	.2790	.3000			
34	.0650	.0990	.1180	.5000	.9949			
35	.0710	.1040	.1260	.3000				
36	.0790	.1100	.3120	.3000				
37	.0860	.1140	.3460	.3000				
38	.0960	.1200	.2930	.3000				
39	.1170	.1320	.5000	.9949				
40	.1160	.1430	.3000					
41	.1210	.3400	.3000					
42	.1270	.3810	.3000					
43	.1330	.3120	.3000					
44	.1460	.5000	.9949					
45	.1550	.3000						
46	.3860	.3000						
47	.4080	.3000						
48	.3280	.3000						
49	.5000	.9949						
50	.3000							
51	.3000							
52	.3000							
53	.3000							
54	.9949							

Source: Industry-wide Non-Management experience 1975-1978.

## **Index to Attachment B**

**Documents given to employees of SNET in which SNET reserves its rights re:  
benefit changes, terminations, withdrawals.**

**Page 1 SNET Bargaining Unit Medical Expense Plan  
Summary Plans Description ("SPD") at page 11**

**Page 2 SNET Management Medical Expense Plan SPD at page 11**

**Page 3 SNET Retiree Medical Expense Plan SPD at page 7**

**Page 4 SNET Retiree Medical Plan SPD at page 11**

**Page 5 SNET Medical Plan for Retirees SPD at page 9**

**Page 6 SNET Group Life Insurance SPD at page 6**

**Page 7 SNET Retiree Dental Plan SPD at page 5**

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## WHEN COVERAGE ENDS

**Terminated employees** — Coverage may be continued for 18 months if the employee pays the full cost of the coverage. This continuation period includes any period of Company-paid extended coverage.

**Surviving spouse and eligible dependents** — The Company provides six months' free coverage; lifetime continued coverage is available if full cost is paid by spouse.

**Surviving dependent (no spouse)** — The Company provides six months' free coverage; 30 months' continued coverage is available if full cost is paid by dependent.

**Newly ineligible dependents** — Continued coverage is available for 36 months if full cost is paid by dependent. The employee must notify the Benefit Office when this situation occurs.

**Retirees** — For employees who retire on or after September 17, 1989, the Plan shall provide the same level and type of benefits as provided from time to time under the Plan for active bargaining unit employees (except with respect to coverage for prescription drugs, coverage for which will be provided under the Plan at 80 percent of R&C after the deductible, and not the Prescription Drug Card Plan). Retirees can continue the Prescription Drug Program for 18 months from retirement date by paying the full cost.

## CLAIMS

To file a claim for medical benefits, complete a medical claim form for yourself and for each of your eligible dependents each year. Send that form and the itemized statement of expenses to:

The Travelers Insurance Company  
P.O. Box 9718  
New Haven, CT 06536

If you have questions about your claim, you can call 1-(800)-922-6784 toll-free anywhere in Connecticut. If you're calling from the Hamden area, the number is 281-2090. Calls made outside Connecticut should be made collect to 1-(203)-281-2090.

In response to your claim, you will receive an EOB from The Travelers. This will explain the level of payment made, the credit toward your deductible, or the reasons for denying the claim. Along with your EOB, The Travelers will send a claim transmittal form for your next medical claim. This form requests the information such as employee's name, patient's name, employee's social security number, etc. that the insurance company needs to process your medical claim.

## CLAIMS DENIAL AND APPEAL

If for any reason your medical claim is denied, the reasons for denial will be explained in writing. If you wish The Travelers to reconsider their denial of your claim, write to them explaining your reasons for questioning the claim denial. Send your written request and a copy of the EOB to The Travelers at the above address.

To have HealthCare COMPARE reconsider their denial of your claim, send a written request to them explaining your reasons for questioning the claim, or sign the Information on Appeal Process form automatically forwarded to you and submit it along with supporting documentation to HealthCare COMPARE at:

HealthCare COMPARE  
3200 Highland Avenue  
Downers Grove, IL 60515-1223

If you are not satisfied with the response to your written inquiry, you may further appeal the denial of your medical claim by submitting a request for reconsideration with supporting documentation to:

Secretary, Employees' Benefit Committee  
SNET, 227 Church Street  
New Haven, CT 06510

*This request should be submitted within 60 days of your receipt of the decision you wish to appeal. The Employees' Benefit Committee, the Plan Administration, will respond within 60 days of receipt of your appeal and has the right to interpret the provisions of the SNET Medical Plan, as to any claim or prescription submitted.*

## YOUR RIGHTS UNDER ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) was designed to protect employees' rights under their benefit plans. For a full description of these rights you should read the ERISA brochure. That brochure also contains information on plan funding and plan fiduciaries.

*The Company reserves the right to amend and modify this Plan.*

*This brochure presents summarized highlights of Plan provisions. The actual provisions of the Plan are explained in more detail in the Plan documents, which legally govern the operation of the Plan. If there is any discrepancy between the information presented in this brochure and the Plan documents, the Plan documents always govern.*

# SNET MEDICAL PLAN

  
We go beyond the call.

fit toward your deductible, or the claim.

## AL AND APPEAL

medical claim is denied, the reasons need in writing. If you wish Blue reconsider their denial of your planing your reasons for question-nd your written request and a copy ss & Blue Shield at the above

OMPARE reconsider their denial of ion request to them explaining your the claim, or sign the Information n automatically forwarded to you h supporting documentation to E at: E

515-1223

with the response to your written in- appeal the denial of your medical request for reconsideration with sup- 10:

Benefit Committee  
ect

submitted within 60 days of your re- u wish to appeal. The Employees' : Plan Administrator, will respond pt of your appeal and has the right nes of the SNET Management Med- im or prescription submitted.

## UNDER ERISA

ent Income Security Act of 1974 to protect employees' rights under a full description of these rights you A brochure. That brochure also con- plan funding and plan fiduciaries.

the right to amend and modify this

summarized highlights of Plan pro- visions of the Plan are explained in documents, which legally govern lan. If there is any discrepancy be- presented in this brochure and the

# SNET MANAGEMENT MEDICAL PLAN

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We go beyond the call.

**Medical  
Plan****YOUR RIGHTS UNDER ERISA**

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If you are not satisfied with the response to your written inquiry, you may further appeal the denial of your medical claim by submitting a request for reconsideration with supporting documentation to:

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SNET  
227 Church Street  
New Haven, Connecticut 06506

This request should be submitted within 60 days of your receipt of the decision you wish to appeal. The Employees' Benefit Committee, the Plan Administrator, will respond within 60 days of



**CLAIMS DENIAL AND APPEAL**

If for any reason your SNET Retiree Dental Plan claim is denied, the reasons for denial will be explained in the Explanation of Benefits (EOB). If you wish to have Aetna reconsider their denial of your claim, write to the following address explaining your reasons for questioning the claim denial and include a copy of the EOB:

Aetna Life Insurance Company  
SNET Unit  
P.O. Box 800  
115C Elm Street  
Enfield, CT 06082

If you are not satisfied with the response to your written inquiry, you may further appeal the denial of your claim by submitting a request for reconsideration with supporting documentation to:

Secretary, Employees' Benefit Committee  
SNET, 227 Church Street, 13th Floor  
New Haven, CT 06506

This request should be submitted within 60 days of your receipt of the denial of your claim. The Employees' Benefit Committee, the Plan Administrator, will respond within 60 days of receipt of your appeal and has the right to interpret the provisions of the SNET Retiree Dental Plan as to any claim submitted.

**YOUR RIGHTS UNDER ERISA**

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